

Appendix A

Conflict of Interest Code

As revised by the Authority Board on _____, and approved by the Fair Political Practices Commission on _____.

CALIFORNIA HIGH-SPEED RAIL AUTHORITY

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HIGH SPEED RAIL AUTHORITY

CONFLICT OF INTEREST CODE

Introduction

This Conflict of Interest Code (Code) shall govern the conduct of all High Speed Rail Authority (Authority) members, Executive Director, and designated staff and consultants¹. The laws and regulations which govern the conduct of public officers and employees of the Authority are contained in various California Code sections. The Authority's Code is based upon the Political Reform Act of 1974, as amended; Government Code Sections 1090 et seq. and 87100 et seq.; and all applicable laws, rules and regulations relating to these statutes. All Authority members, Executive Director, and designated staff and consultants shall be familiar with and governed by the provisions of the Policy.

Conflict of Interest Code

No Authority member, consultant or employee shall solicit or accept for personal use, directly or indirectly, from any person, corporation or group, any gift, gratuity, entertainment or loan from representatives of any organization which provides, or is desirous of providing, goods or services to the Authority. No Authority member, consultant or employee shall accept gifts from any single source in any calendar year in excess of the annual limit, or any honorarium.

No Authority member, consultant, or employee shall use Authority time, facilities, equipment or supplies for private gain or political purposes. No Authority member,

¹ For purposes of this Conflict of Interest Code and its appendices, the definition of "consultant" is as that word is defined in Title 2, California Code of Regulations, section 18701.

consultant, or employee shall disclose confidential information that would result in unfair competitive advantage to a person or organization.

Authority members, Executive Director, and designated staff and consultants are prohibited from having any financial interest in a contract made by them in their official capacity where there is a conflict of interest to that contract. An official is deemed to have a financial interest if it is reasonably foreseeable that the decision to be made will have a material financial effect on the officer or his/her immediate family or on any business entity or real property in which the official has a direct or indirect investment worth the amount stated in Government Code Section 87103.

Authority members, Executive Director and designated staff and consultants shall disqualify themselves from making, participating in the making of, or in any way attempting to use their official position to influence a government decision in which they know, or have reason to know, they have financial interest (Government Code Section 87100).

The Political Reform Act (Article 3, Chapter 7, Government Code Sections 81000, et seq.), requires state and local government agencies to adopt and promulgate Conflict of Interest Codes. The Fair Political Practices Commission (FPPC) has adopted Title 2, Division 6 of the California Code of Regulations, Section 18730, which contains the terms of a standard Conflict of Interest Code which can be incorporated by reference in an agency's code. After public notice and hearing it may be amended by FPPC to conform to amendments in the Political Reform Act. Therefore, the terms of Title 2, Division 6 of the California Code of Regulations, Section 18730 and any amendments to it which are duly adopted by FPPC are hereby incorporated by reference.

This regulation and the attached Appendices, which designate the positions and corresponding disclosure categories, shall constitute the Conflict of Interest Code of the Authority. The Authority was created by the High-Speed Rail Act, Chapter 796 of 1996 , to prepare a construction, operation and financing plan for implementing a high speed rail system in California. The Authority must seek approval of the plans from the legislature and

voters of California prior to implementation. ~~The Authority shall terminate on December 31, 2000 if it fails to gain legislative or popular approval of the financing plan prior to that date.~~

Designated employees shall file their Statements of Economic Interests with the Authority, which will make the statements available for public inspection and reproduction. Upon receipt of the Statements of Economic Interests of the Authority members and the Executive Director, the Authority shall make and retain a copy and forward the original statements to the FPPC. Statements of all other designated employees will be retained by the Authority (Government Code Section 81008).

Appendix A

Designated Positions

The following positions make or participate in making decisions which may foreseeable have a material effect on financial interests. Authority members, Executive Director, employees, or consultants, ~~agents or contractors~~ holding these designated positions shall disclose those interests described in Appendix B.

Designated Positions	Assigned Disclosure Categories
<u>Authority Members</u> Commissioners	1, 2, <u>&</u> 3 & A
Executive Director	1, 2, <u>&</u> 3 & A
Deputy Director	1, 2, <u>&</u> 3 & A
Consultants, Agents, Contractors	1, 2, <u>&</u> 3 & A

Designated consultants shall be included in the list of designated employees and shall disclose pursuant to the broadest disclosure category in the code subject to the following limitation:

With respect to consultants, the Chairman of the California High Speed Rail Authority may determine in writing that a particular consultant is hired to perform a range of duties that are limited in scope such that he/she is not required to disclose investments, business positions, and sources of income in any category unrelated to his/her duties. This determination shall include a description of the consultant's duties and, based upon that

description, a statement of the extent to which the consultant must still make disclosure.

The Conflict of Interest Filing Official shall maintain a copy of this determination in the same manner and location as this Conflict of Interest Code. Nothing herein excuses any consultant, ~~agent, or contractor~~ from any other provision of this Conflict of Interest Code.

Appendix B

Disclosure Categories

Category 1

All sources of income², investments³ and business positions in business entities of the type:

- Public Utilities
- Energy research, energy development
- Transportation services, transportation consultants, transportation equipment
- Construction services, equipment and supplies
- Real property sales, real estate development, real estate brokerage, real estate appraisals within the State of California
- Engineering and design services
- Legal services
- Environmental consultant services
- Banks, savings and loan associations
- Bond brokerage firms
- Audit and/or accounting firms
- Insurance

Category 2

² The term "income" is defined in Government Code Section 82030 (see attached).

³ The term "investment" is defined in Government Code Section 82034 (see attached).

Business positions, investments in business entities or income from sources which manufacture or sell supplies, machinery, or equipment or ~~contractors or subcontractors~~ who engage in the performance of work or services of the type utilized by the Authority.

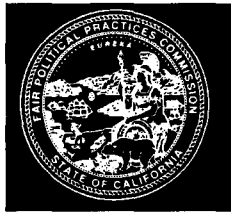
Category 3

Interests in real property located in California.

Category 4

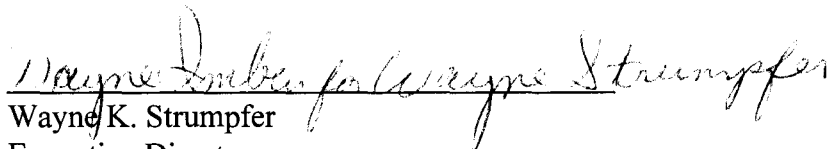
~~Business positions, investments in business entities or income from sources in which contractor or subcontractors are engaged in the performance of work or services of the type utilized by the Authority~~

This is the last page of the conflict of interest code for the **High Speed Rail Authority**.



CERTIFICATION OF FPPC APPROVAL

Pursuant to Government Code Section 87303, the conflict of interest code for **the High Speed Rail Authority**, was approved on **June 27, 2001**.

A handwritten signature in cursive script that reads "Wayne K. Strumpfer". The signature is written in black ink and is positioned above the printed name and title.

Wayne K. Strumpfer
Executive Director
Fair Political Practices Commission

Pursuant to Government Code section 11346.2:

Secretary of State Filing Date: _____

Effective: _____